

Message Text

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ORIGIN EA-10

INFO OCT-01 ISO-00 COME-00 TRSE-00 TAR-01 L-02 H-02 STR-04

CIAE-00 INR-07 NSAE-00 /027 R

DRAFTED BY EA/ROC:KJWEAVER:ARCK

APPROVED BY EA/ROC:BLEVIN

COM/OTP/DND -J. JOHNSTON

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R 101525Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY TAIPEI

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E.O. 11652:N/A

TAGS: ETRD, TW

SUBJECT: RECENT INCREASE IN ROC IMPORT DUTY ON ELECTRICAL APPLICANCES.

1. ON APRIL 7, E.J. REHFELDT, PRESIDENT OF LAI FU TRADING CO., LTD, TAIPEI, MET JOINTLY WITH EA/ROC AND COMMERCE TO PROTEST THE GROC'S MARCH, 1975 INCREASE IN IMPORT DUTIES ON ELECTRICAL APPLIANCES WHICH THE FIRM DISTRIBUTES, I.E., COLOR TV'S, AIR CONDITIONERS, KITCHEN APPLIANCES.
2. REHFELDT WAS MAINLY CONCERNED WITH THE ADVERSE IMPACT OF THE DUTY INCREASE ON SALES OF RCA COLOR TV'S, FOR WHICH THE FIRM IS SOLE DISTRIBUTOR IN TAIWAN. HE CLAIMED THAT AS A RESULT OF THE JULY, 1974 INCREASE FROM 33-46 PERCENT, LAI FU'S SALES OF COLOR TV'S DROPPED FROM 600 TO 300 SETS PER MONTH. WITH THE ADDITIONAL INCREASE OF 15 PERCENT, THE FIRM BELIEVES ITS COLOR TV'S WILL BE EFFECTIVELY PRICED OUT OF THE LOCAL MARKET WITH A FURTHER DROP IN SALES TO AS LOW AS 100 SETS PER MONTH.

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3. WE TOLD REHFELDT THAT WE BELIEVED THE CHANCES OF

OBTAINING RELIEF WERE SLIM AS THIS ACTION WAS PART OF AN

OVERALL GROC ANTI-RECESSION POLICY OF INCREASING EXPORTS
OF LOCALLY-MANUFACTURED APPLIANCES AND DECREASING
DOMESTIC CONSUMPTION OF IMPORTED LUXURY CONSUMER GOODS.
WHILE GIVING NO ASSURANCES THAT OUR EFFORTS WOULD BE
SUCCESSFUL, WE STATED THAT WE WOULD PURSUE THIS MATTER
WITH THE GROC.

4. EMBASSY IS REQUESTED TO BRING THIS MATTER TO THE
ATTENTION OF APPROPRIATE GROC OFFICIALS. WE WOULD AP-
PRECIATE KNOWING WHETHER YOU HAVE RECEIVED SIMILAR
COMPLAINTS FROM OTHER LOCAL DISTRIBUTORS OF US-MADE
APPLIANCES. KISSINGER

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Message Attributes

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Decaption Note:
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